

REPORT

INC.

40121185



Superfund

010653

Joplin, Missouri
March 24, 1944

Mr. Andrew Fletcher
Vice President & Treasurer
Kansas Explorations, Inc.
250 Park Avenue
New York 17, N. Y.

Dear Mr. Fletcher:

I transmit herewith Annual Report
of The Kansas Explorations, Incorporated, for the
year 1943.

Respectfully submitted,

Ross Blate,

ANNUAL REPORT
of
KANSAS EXPLORATIONS, INCORPORATED
JOPLIN, MISSOURI
1943

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1943 ANNUAL REPORT

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ANNUAL REPORT
of
KANSAS EXPLORATIONS, INCORPORATED
for
1943

The operations of the Kansas Explorations, Inc. were carried on continuously at the Ritz, Jasper and Snapp Units throughout the year. The Lotson property located in Ottawa County, Oklahoma, adjoining the Ritz Mine, was placed in operation in April, 1943. The Buckingham Mine in Jasper County, Missouri, was placed in operation in August, 1943. Both properties operated continuously the balance of the year.

The base price paid for 60% zinc concentrates remained at \$55.28 per dry ton throughout the year. The district base price per dry ton of 80% lead concentrates was \$76.54 throughout the year.

Additional income was received for Kansas Explorations, Inc. operations through payments for Over-Quota Production, as established by the Quota Committee of the War Production Board.

LIST OF LEASES AS AT DECEMBER 31, 1943

--OPERATING UNITS--

Number	Name	Acres	State	Landowners Royalty
<u>RITZ UNIT</u>				
921	Ritz	60	Oklahoma	12 $\frac{1}{2}$ %
<u>LOTSON UNIT</u>				
1007 $\frac{1}{2}$	Lotson	80	Oklahoma	12 $\frac{1}{2}$ %
<u>DARDENNE UNIT</u>				
974 $\frac{1}{2}$	Dardenne	40	Oklahoma	5%* - 7 $\frac{1}{2}$ %
*5% on tailings and 7 $\frac{1}{2}$ % on underground ores.				
<u>JASPER UNIT</u>				
	Jasper	270	Missouri	1%
<u>SNAPP UNIT</u>				
	Snapp	40	Missouri	
974	Gunning	280	Missouri	7 $\frac{1}{2}$ %
	Total	320		
<u>BUCKINGHAM UNIT</u>				
977	Buckingham	140	Missouri	7 $\frac{1}{2}$ %
1001	Gibson, Et al	120	Missouri	7 $\frac{1}{2}$ %
1002	Robinson	10	Missouri	7 $\frac{1}{2}$ %
999	McWaters	80	Missouri	7 $\frac{1}{2}$ %
Acquired 1943				
1007	Boyd	80	Missouri	7 $\frac{1}{2}$ %
1008	Miller	43	Missouri	7 $\frac{1}{2}$ %
	Total	473		

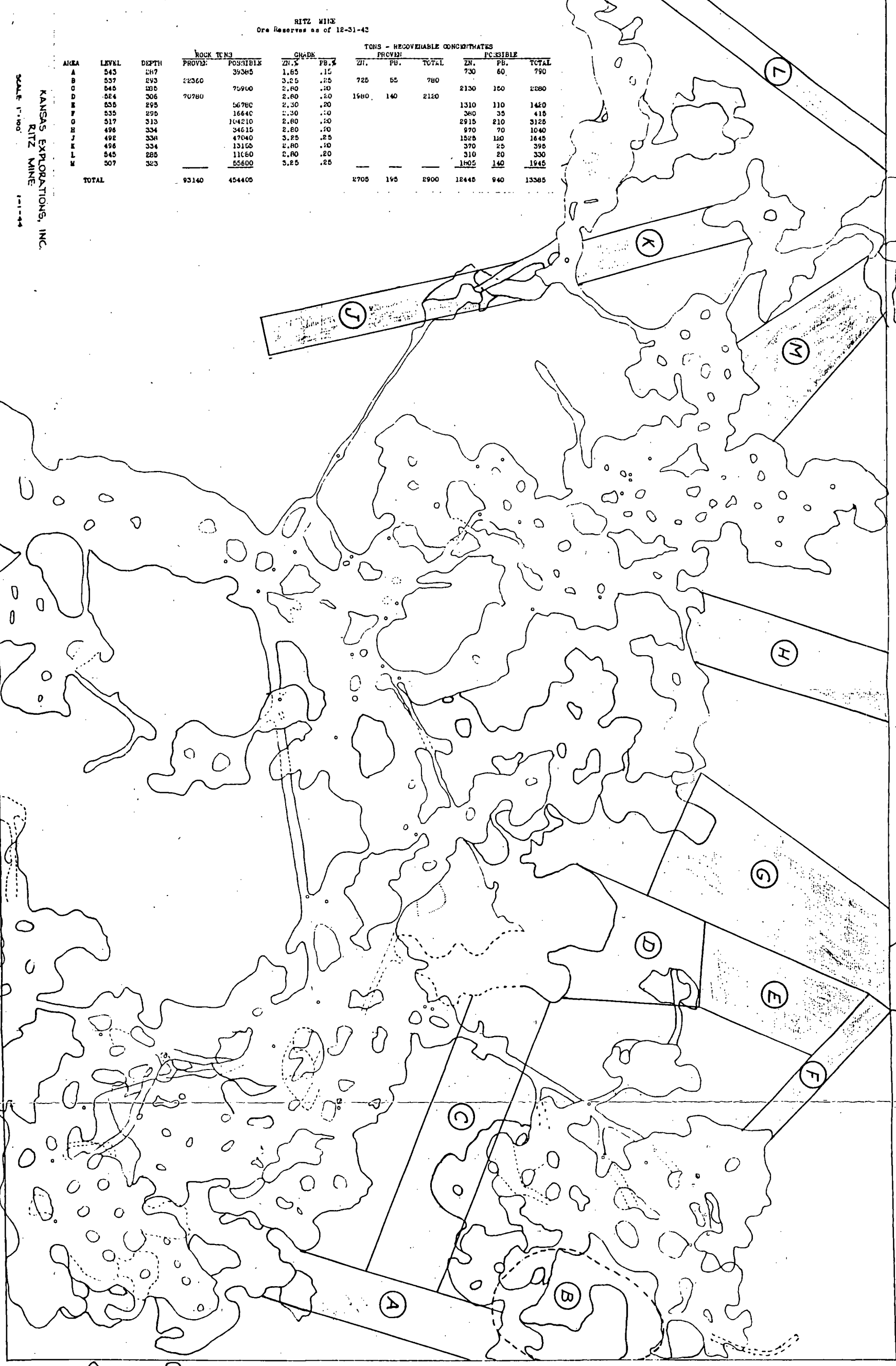
--PROPOSED UNITS--

975	Gunning	160	Missouri	7 $\frac{1}{2}$ %
976	Buckingham	107	Missouri	7 $\frac{1}{2}$ %
978	Poundstone	80	Missouri	7 $\frac{1}{2}$ %
979	Cushman	80	Missouri	7 $\frac{1}{2}$ %
980	McReynolds	80	Missouri	7 $\frac{1}{2}$ %
982	Stevison	120	Missouri	7 $\frac{1}{2}$ %
984	Poundstone	76 $\frac{1}{2}$	Missouri	7 $\frac{1}{2}$ %
985	Poundstone	80	Missouri	7 $\frac{1}{2}$ %
989	Norton	60	Missouri	7 $\frac{1}{2}$ %
992	Weaver	60	Missouri	7 $\frac{1}{2}$ %
995	Gibson	160	Missouri	7 $\frac{1}{2}$ %
996	Gibson	152	Missouri	7 $\frac{1}{2}$ %
	Total	1215 $\frac{1}{2}$		

Total Acres 2458 $\frac{1}{2}$

RITZ UNIT
1 9 4 3

The Ritz Lease is located in Ottawa County, Oklahoma and contains 60 acres. It is operated under a $12\frac{1}{8}\%$ royalty lease from the Indian Department.



RITZ MINE
Ore Reserves as of 12-31-42

AREA	LEVEL	DEPTH	ROCK TONS		GRADE		TONS - RECOVERABLE CONCENTRATES			PC.SIBLE		TOTAL
			PROVEN	POSSIBLE	Zn. %	Pb. %	Zn.	Pb.	TOTAL	Zn.	Pb.	
A B C D E F G H K M L	545	247		39365	1.65	.15				730	60	790
	537	243	22360		3.25	.25	725	55	780			
	545	245		75960	2.80	.20				2130	150	2280
	524	306	70780		2.80	.20	1580	140	2120			
	535	295		56780	2.30	.20				1310	110	1420
	535	295		16640	2.30	.20				360	35	415
	517	313		104210	2.80	.20				2915	210	3125
	496	334		34615	2.80	.20				970	70	1040
	492	338		47040	3.25	.25				1525	120	1645
	496	334		13105	2.80	.20				370	25	395
	545	285		11050	2.80	.20				310	20	330
	507	323		55600	3.25	.25				1605	140	1945
TOTAL			93140	454405			2705	195	2900	12445	940	13385

KANSAS EXPLORATIONS, INC.
RITZ MINE
SCALE 1"=100'
1-1-44

RITZ UNIT
1 9 4 3

The Ritz Unit was operated continuously throughout the year 1943. During the operating period, the mine operated two 8-hour shifts per day, and the 30-ton per hour concentrating plant operated 24 hours per day. All ore treated was mined underground and was hoisted at the mill shaft, the ore being delivered to the shaft in the mine by two, three and one-half ton, storage battery locomotives and a rope haulage system.

- o o o -

At the Ritz Unit, during 1943, a total rock tonnage of 161,700 tons was hoisted, and a total of 161,600 tons of mine rock was treated in the concentrating plant. From the tonnage treated, 5,163.480 tons of zinc concentrates and 406.235 tons of lead concentrates were recovered. The entire tonnage of rock treated during 1943 yielded a recovery of 3.20% in the form of zinc concentrates and .25% in the form of lead concentrates or a total zinc and lead concentrate recovery of 3.45%. During the operating period, 31,773 man shifts were employed in operations--each man shift averaging a production of 5.1 rock tons or the equivalent of .18 tons of zinc and lead concentrates. The total average operating cost was \$2.79 for each ton of rock or \$81.07 for each ton of zinc and lead concentrates recovered.

Included in the above cost was the item of \$17,949.89--being the total cost of the award made by the National War Labor Board. The award consisted of 50¢ a shift to all employees with 25¢ per shift differential allowed for night shift work and covers the period from October 1, 1942 to August 15, 1943. This extra cost was distributed as follows: Labor, \$16,003.87; Reserve for Injury Claims, \$1,499.16; Social Security and Unemployment Taxes, \$446.86. This expense was equal to \$.11 per ton of rock and \$3.22 per ton of concentrates produced.

The Ritz property operated under the Over-Quota Production Plan established by the War Production Board which paid a premium of \$29.70 per ton concentrates per month equivalent to 60% zinc, and, \$41.80 per ton concentrates per month equivalent to 80% lead produced in excess of the established Quota.

From January 1, 1943 to January 31, 1943 the Ritz property operated under a Zero A for zinc quota and a Zero A for lead quota. This Quota was revised February 1, 1943 to a Zero A and a 150 ton B Quota for zinc and a Zero A quota for lead and remained in force until September 1, 1943 when another revision established a Zero A and 95 ton B Quota for zinc and a Zero A Quota for lead.

On December 31, 1942 the Ritz Unit had no concentrates in bins. During the year 1943, 5,163.480 tons of zinc concentrates and 406.235 tons of lead concentrates were sold and loaded. An average gross price per ton (2000 pounds) of \$56.64 for zinc concentrates and \$60.04 for lead concentrates was obtained, or an average of \$56.85 per ton.

Premiums for Over-Quota Production for the year 1943 averaged \$62.34 per ton of zinc concentrates and \$33.20 per ton of lead concentrates or an average of \$60.53 per ton. Additional premiums were received in amount of \$64,108.56 which were to re-imburse the Company for the expense incurred in the payment of the award for "Back Wages" as approved by the National War Labor Board. This amount covered the expense incurred in payment of "Back Wages" at all mines, and, was figured on Ritz production for the convenience of the War Production Board.

The average gross amount received per ton of zinc and lead concentrates, including premiums for Over-Quota Production was \$117.38 and does not include the special premiums received to offset the payment of "Back Wages". The average royalty paid on zinc and lead concentrates sold and loaded was \$10.93 per ton. Royalty was paid on all Over-Quota Premiums from January 1, 1943 to April 1, 1943. From April 1, 1943 through the balance of the year, royalty was paid only on the premiums received on an "A" Quota.

During the year, \$3,236.24 was spent for operating development. This was an expenditure of \$.02 for each ton of rock mined and \$.58 for each ton of concentrates recovered. 250 feet of underground development was completed during the year in addition to necessary exploratory work.

At the beginning of the year, the probable and possible ore reserve was 17,865 tons of zinc and lead concentrates. At the close of the year, the proven and possible ore reserve was 16,285 tons of zinc and lead concentrates. During the year 5,569.715 tons of zinc and lead concentrates were produced.

During 1943, the Ritz Unit operating expenditure for labor and liability insurance was \$297,712.33; for items other than labor was \$153,813.59 or a total of \$451,525.92. The total operating mine profit, Joplin Office, for the year 1943, Ritz Unit was \$80,596.12 based on actual sales of concentrates sold and loaded during the year. This includes a profit of \$1,465.69 resulting from special premiums received on account of the "Back Pay" award. Miscellaneous other income for the year was \$1,117.62.

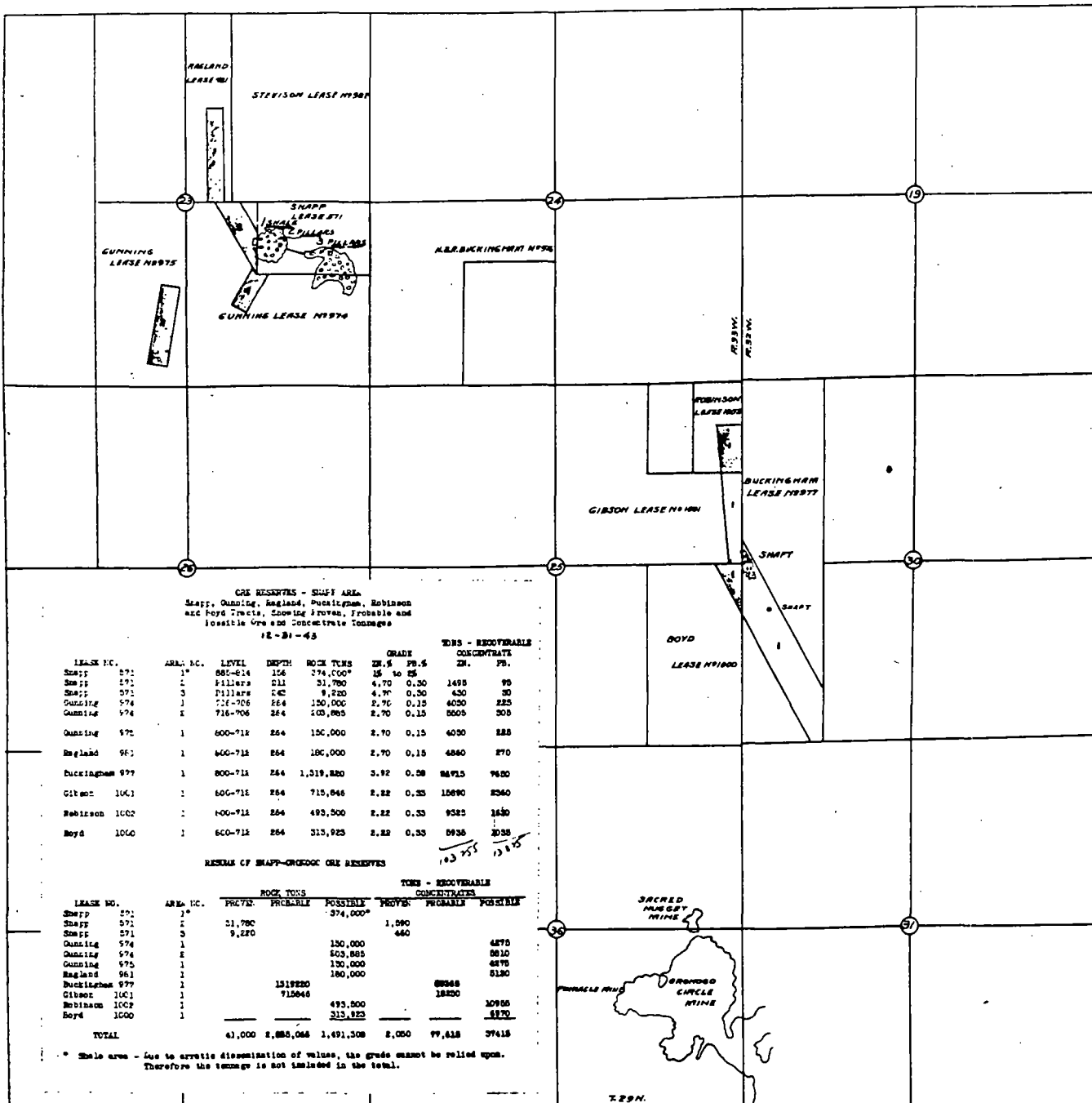
RITZ UNIT
1 9 4 3

RECOMMENDATIONS FOR 1944

Due to the shortage of labor, no special recommendations are made for the year 1944 other than to mechanize all mine operations as much as possible, taking into consideration the probable duration of the War--the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

SNAPP UNIT
1943

The Snapp Tract is located in Jasper County, 10 miles North of Joplin, Missouri--is owned in fee by the Kansas Explorations, Incorporated--contains approximately 40 acres. The balance of the 2,035 $\frac{1}{2}$ acres comprise the Snapp Unit.



ORE RESERVES
OF
SHAPP AREA
KANSAS EXPLORATIONS INC.

SNAPP UNIT
1943

The Snapp Unit was operated continuously throughout the year 1943. During the operating period, the mine operated two 8-hour shifts per day and the concentrating plant operated 24 hours per day. All ore mined from this tract was hoisted from two shafts on the Snapp tract and was milled in the mill located on the Snapp tract.

Ore was mined from the Gunning tract and was hoisted through the two shafts on the Snapp tract and was milled in the Snapp mill--there being only a comparatively small ore tonnage on this tract to be mined. A division of the concentrates was made on a basis of ore tonnage milled as the grade of the ore mined on each tract was of a uniform character.

At the Snapp Unit during the year 1943, a total rock tonnage of 144,497 tons was hoisted and 144,377 tons of mine rock were treated in the concentrating plant. The rock tonnage hoisted included 113,594 tons from the Snapp tract and 30,903 tons from the Gunning. The mine rock treated in the concentrating plant included 113,474 tons from the Snapp tract and 30,903 tons from the Gunning Lease.

From the above tonnage treated, 4,897.485 tons of zinc concentrates and 317.240 tons of lead concentrates were recovered--3,917.859 tons of zinc concentrates and

278.639 tons of lead concentrates being produced from the Snapp tract and 979.626 tons of zinc concentrates and 38.601 tons of lead concentrates being produced from the Gunning Lease. The entire rock tonnage treated during 1943 yielded a recovery of 3.39% in zinc concentrates and .22% in lead concentrates or a total zinc and lead concentrate recovery of 3.61%.

During the entire year of 1943, the Snapp Unit operated under the Over-Quota Production Premium Plan established by the War Production Board. From January 1, 1943 to March 31, 1943, the Snapp tract operated under a Quota whereby a premium of \$29.70 per ton of concentrates per month equivalent to 60% zinc was paid for all zinc production and \$41.80 per ton of concentrates per month equivalent to 80% lead for all lead production. This Quota was revised April 1, 1943 to a Zero A and 150 ton B Quota for zinc and a Zero A Quota for lead which continued until August 31 when the Quota was again revised to a Zero A and a 110 ton B Quota for zinc and a Zero A Quota for lead which continued until the end of 1943.

From January 1, 1943 to March 31, 1943, the Gunning Lease operated under a Zero A Quota for lead and a Zero A Quota zinc. A further revision was made in the Quota on April 1, 1943 to a Zero A Quota and a 60 ton B Quota for zinc and a Zero A Quota for lead which continued until the end of the year.

During the operating period 28,287 man shifts were employed, each man shift averaging a production of 5.1 rock tons, or the equivalent of .18 tons of zinc and lead concentrates. The average operating cost was \$2.76 for each ton of rock, or \$76.58 for each ton of zinc and lead concentrates recovered. In addition to the above cost, there was expended for churn drilling in the Snapp area the sum of \$2,664.78. This was equal to a cost of \$.02 for each ton of rock mined, or, \$.51 for each ton of zinc and lead concentrates recovered.

On December 31, 1942, the Snapp Unit had no concentrates in bins. During the year 1943, 4,897.485 tons of zinc concentrates and 317.240 tons of lead concentrates were sold and shipped. An average gross price per ton (2000 pounds) of \$54.66 for zinc concentrates and \$71.13 for lead concentrates was obtained or an average of \$55.66 per ton of zinc and lead concentrates.

Premiums received for Over-Quota production for the year 1943 averaged \$44.21 per ton of zinc concentrates and \$37.83 per ton of lead concentrates or an average of \$43.82 per ton of zinc and lead concentrates. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$99.48.

The average royalty paid on zinc and lead concentrates sold from the Gunning Lease during the year 1943 was \$6.77 per ton. No royalty is paid on production from the Snapp tract. The average royalty paid per ton of zinc and lead concentrates produced from the Snapp

Unit, which includes the Gunning Lease, was \$1.32 per ton.

During the year 1943, \$20,459.18 was spent for development and churn drilling on the Snapp tract and Gunning Lease for 6,965 feet of churn drilling and 1,000 feet of underground development work, this being an expenditure of \$.14 for each ton of rock mined and \$3.92 for each ton of concentrates produced. \$2,664.78 was spent for 1,646 feet of additional exploration drilling in the Snapp area.

At the beginning of the year, the proven, probable and possible ore reserve on the Snapp tract, Gunning Lease and Ragland Lease was 21,055 tons of recoverable zinc and lead concentrates. As a result of drilling completed in 1943, the proven, probable and possible recoverable concentrates on the Snapp, Gunning and Ragland tracts in the Snapp area was increased to 21,540 tons. During the year 5,214.725 tons of zinc and lead concentrates was produced from ores milled from the Snapp and Gunning tracts.

During the year 1943, at the Snapp Unit, the operating expenditure for labor and liability insurance was \$257,140.72; for items other than labor and liability insurance was \$145,923.69 or a total of \$403,064.41. The total operating mine profit for the year 1943 was \$111,501.63. Exploration expense in the area surrounding the Snapp Lease amounting to \$2,664.78 was charged to operations, and, when deducted from the mine profit of \$111,501.63 left a net operating profit, Joplin Office, of \$108,836.85. Miscellaneous other income for the year 1943 was \$1,038.93.

SNAPP UNIT
1943

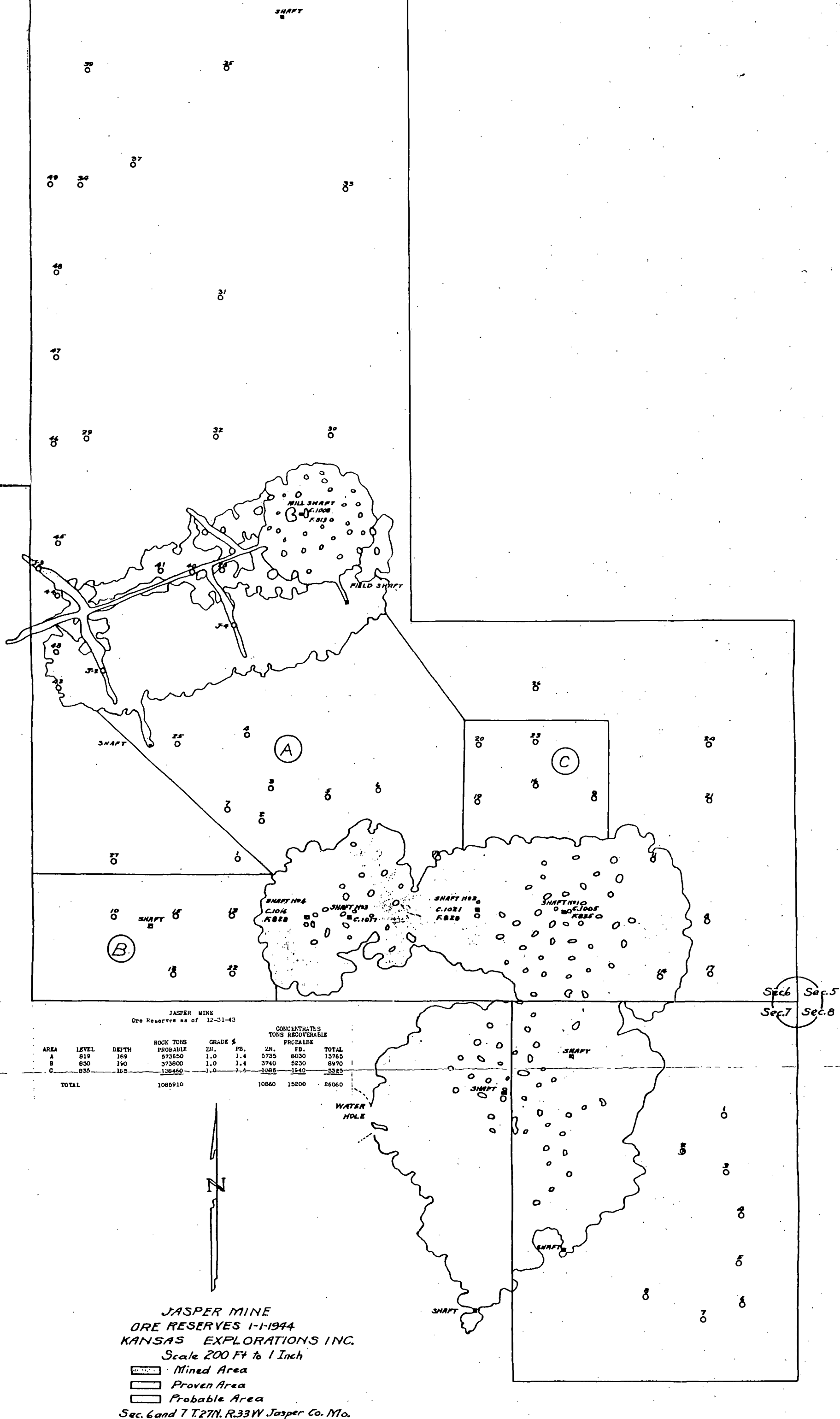
RECOMMENDATIONS FOR 1944

Due to the shortage of labor, no special recommendations are made for the year 1944 other than to mechanize all mine operations as much as possible, taking into consideration the probable duration of the War--the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

JASPER UNIT

1 9 4 3

The Jasper Tract is located in Jasper County,
Missouri about 2 miles West of Joplin--contains about
270 acres.



JASPER UNIT
1 9 4 3

The Jasper Unit was operated continuously throughout the year 1943. During the operating period the mine operated two 8-hour shifts and the mill operated three 8-hour shifts per day. All of the ore treated was hoisted at the mill shaft by two electric hoists operating in this one shaft. On account of the shortage of hand shovelers, it was necessary to mechanize all loading operations.

At the Jasper Unit during the year 1943, a total rock tonnage of 256,603 tons was hoisted and 256,747 tons of mine rock was treated in the concentrating plant. From the tonnage treated 2,561.605 tons of zinc concentrates and 3,626.620 tons of lead concentrates were produced. The entire tonnage of rock treated during the year yielded a recovery of 1.00% in the form of zinc concentrates and 1.41% in the form of lead concentrates or a total zinc and lead recovery of 2.41%. During the operating period, 47,412 man shifts were employed in operations, each man shift averaging 5.4 rock tons or the equivalent of .13 tons of zinc and lead concentrates. The total average operating cost was \$2.48 for each ton of rock or \$103.01 for each ton of zinc and lead concentrates recovered. This cost includes \$25,784.49 equal to \$.10 for each ton of rock or \$4.17 for each ton of concentrates produced, for the payment of the "Back Pay" award by

the National War Labor Board covering adjustment in wages from October 1, 1942 to August 15, 1943. The Quota Committee adjusted premiums for Over-Quota production to offset this additional cost.

The Jasper property operated under the Over-Quota production premium plan throughout the year. From January 1, 1943 to January 31, 1943 the operations were under a Zero A Quota for zinc production whereby \$29.70 per ton of concentrates per month equivalent to 60% zinc was paid for zinc concentrates and a Zero A Quota for lead production whereby \$41.80 per ton of concentrates per month equivalent to 80% lead was paid for lead concentrates. This Quota was revised January 31, 1943 to July 31, 1943 whereby the property operated under a Zero A Quota and 200 ton B Quota on zinc production and a Zero A Quota on lead production-- which arrangement was continued until July 31. The Quota was again revised on August 1, 1943 whereby the property operated on a Zero A, Zero B and 95 ton C Quota for zinc production and a Zero A Quota for lead concentrates. This Quota arrangement remained in effect throughout the balance of the year.

On December 31, 1942 the Jasper Unit had no concentrates in the bins. During the year 1943, 2,561.605 tons of zinc concentrates and 3,626.620 tons of lead concentrates were sold and loaded. An average gross price per ton (2000 pounds) of \$54.62 for zinc concentrates

and \$80.66 for lead concentrates was obtained, or an average of \$69.88 per ton. Premiums received for Over-Quota Production for the year 1943 averaged \$53.78 per ton of zinc concentrates and \$41.75 per ton of lead concentrates or an average of \$46.73 per ton. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$116.61. This does not include approximately \$4.16 per ton of concentrates received in premiums to offset the cost of the "Back Pay" award made by the War Labor Board. The average royalty paid on zinc and lead concentrates sold and loaded was \$.70 per ton.

During the year, \$2,283.02 was spent for operating development and churn drilling. This was an expenditure of \$.01 for each ton of rock mined and \$.37 for each ton of concentrates recovered. There was 542 feet of churn drilling and 175 feet of underground development completed during the year. At the beginning of the year the probable ore reserve was 19,940 tons of zinc and lead concentrates. At the close of the year the probable and possible ore reserve was 26,060 tons of zinc and lead concentrates. During the year 6,188.225 tons of zinc and lead concentrates were produced.

During 1943 at the Jasper Unit the operating expenditure for labor and liability insurance was \$426,416.19; for items other than labor and liability insurance was \$211,066.45 or a total of \$637,482.64.

The total operating mine profit for the year, Joplin Office, was \$105,590.55 based on concentrates sold and loaded during the year. Miscellaneous other income for the year 1943 was \$1,404.91. In addition to this amount \$6,940.00 was received from the sale of tailings produced from the milling of the Jasper ore, and \$473.32 was received as royalty from the sub-lease of sands and slimes which were treated by the Missouri Mining Company.

JASPER UNIT
1943

RECOMMENDATIONS FOR 1944

Due to the shortage of labor, no special recommendations are made for the year 1944 other than the mechanize all mine operations as much as possible, taking into consideration the probable duration of the War--the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

LOTSON UNIT

1 9 4 3

Located in Ottawa County, Oklahoma--contains 80 acres and is operated under a $12\frac{1}{2}\%$ Royalty from the Indian Department. This tract joins the Ritz Lease on the West.

LOTSON UNIT
1943

Due to the need of the Government for zinc and lead concentrates in 1942 and to the indicated increase in prices for these concentrates, a lease carrying a royalty of $12\frac{1}{8}\%$ was secured on the Lotson 80 acre tract. The Lotson tract joins the Ritz tract on the West. There had been no mining operations on the tract for some time. Necessary mining equipment was installed and some development work completed at a cost of \$27,078.85 before the property was placed in operation April 1, 1943, this item being charged against 1943 operations.

The ores mined from this tract were treated in the concentrating plant of the Mission Mining and Royalty Company, which is a custom mill located a few miles from the mine. The ores were treated on a contract price per ton of mine rock.

This Unit operated continuously throughout the balance of the year. A total rock tonnage of 44,412 tons of mine rock was hoisted and 44,302 tons of mine rock was treated by custom milling during the year.

From the tonnage treated 964.100 tons of zinc concentrates and 466.385 tons of lead concentrates were recovered. The entire rock tonnage treated during the year yielded a recovery of 2.18% in zinc concentrates and 1.05% in lead concentrates or a total zinc and lead concentrate recovery of 3.23%.

During the operating period 6,495 man shifts

were employed in operations, each man shift averaging a production of 6.8 rock tons, or the equivalent of .22 tons of zinc and lead concentrates. The average operating cost was \$3.12 per ton of rock mined or \$96.92 for each ton of zinc and lead concentrates recovered. The cost of placing the property in production was charged to operating expense, which was equal to \$.61 per rock ton mined or \$18.93 per ton of concentrates recovered.

The Lotson Unit operated under the Over-Quota Production Premium Plan as established by the War Production Board throughout the year. Beginning April 1, 1943 the Lotson operated under a Zero A Quota for zinc production whereby \$29.70 per ton of concentrates per month equivalent to 60% zinc was paid for all zinc concentrates produced and a Zero A Quota on lead production whereby \$41.80 per ton of concentrates per month equivalent to 80% lead was paid for all lead concentrates produced.

On May 1, 1943 the Quota was revised to a Zero A Quota and Zero B Quota on zinc production and a Zero A Quota on lead production. This Quota remained in effect until July 1, 1943 when a revision was made to a Zero A Quota, Zero B Quota and Zero C Quota for zinc production and a Zero A Quota and Zero B Quota on lead production was allowed. This Quota remained in effect throughout the balance of the year.

On December 31, 1943 the Lotson had no concentrates in bins, all of the production for the year 1943 of 964.100 tons of zinc concentrates and 466.385 tons of lead concentrates having been sold and loaded. An average gross price per ton (2000 pounds) of \$52.33 for zinc concentrates and \$70.76 for lead concentrates was obtained or an average of \$58.34 per ton. Premiums for Over-Quota Production for the year 1943 averaged \$72.96 per ton of zinc concentrates and \$69.18 per ton of lead concentrates or an average of \$71.73 per ton. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$130.07. The average royalty paid on zinc and lead concentrates sold and loaded was \$11.19, royalty being paid on all premiums received on a Zero A Quota.

During the year, \$833.90 was spend for development after the mine was placed in operation. This was an expenditure of \$.14 for each ton of rock mined and \$5.83 for each ton of zinc and lead concentrates recovered. At the beginning of the year the probable ore reserve was 13,055 tons of zinc and lead concentrates. At the close of the year the probable and possible ore reserve was 9,265 tons of zinc and lead concentrates. During the year 1,430.485 tons of zinc and lead concentrates was produced.

During 1943, at the Lotson Unit the operating expenditure for labor and liability insurance was \$64,146.09; for items other than labor was \$101,576.21 or a total of \$165,446.53. The total operating mine profit for the year 1943, Joplin Office, was \$33,894.48. Against this mine profit was charged \$27,078.85, the cost of placing the mine in operation, which left a net balance of \$6,815.63. Miscellaneous other income for the year was \$275.77.

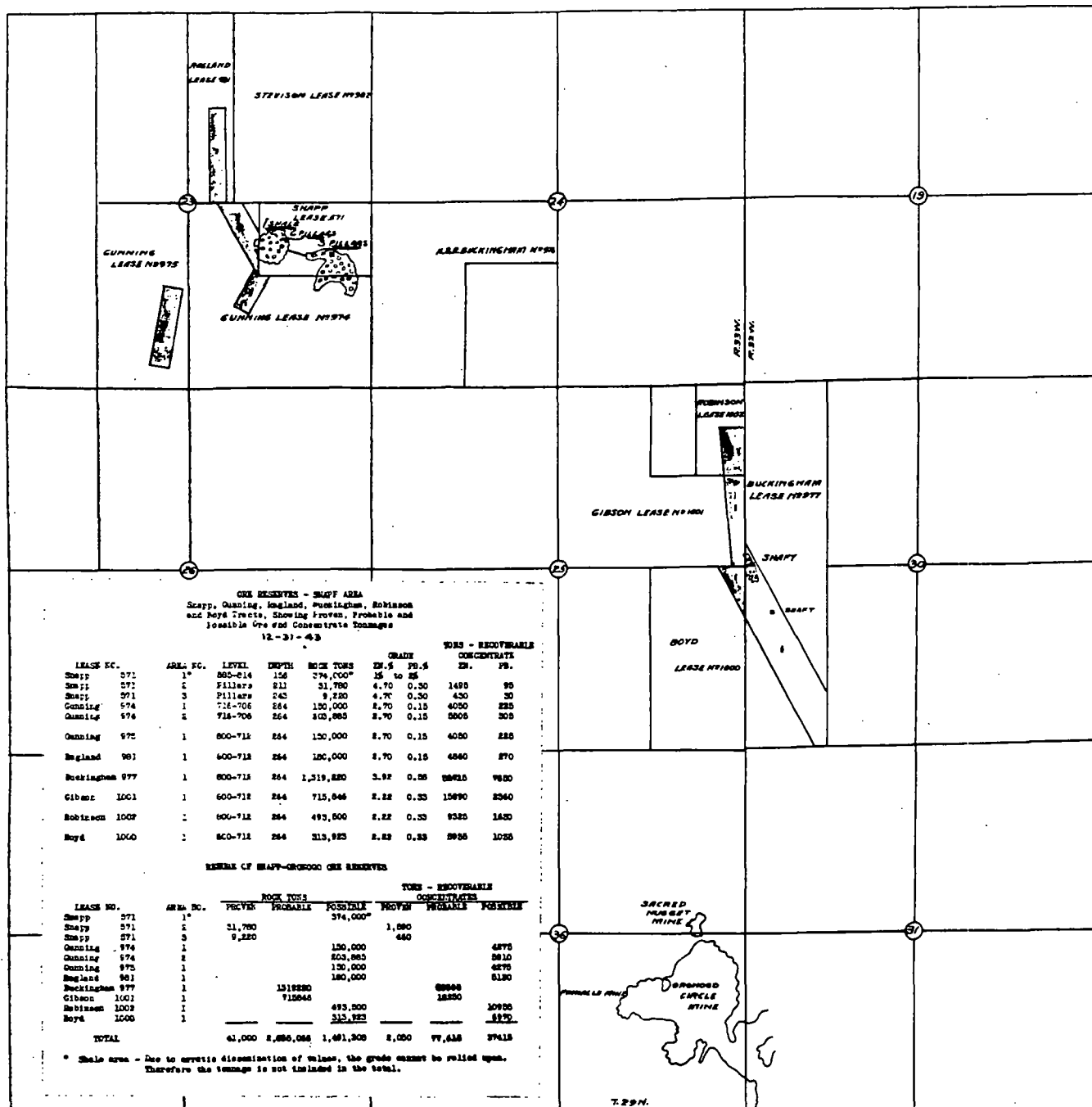
LOTSON UNIT
1943

RECOMMENDATIONS FOR 1944

Due to the shortage of labor, no special recommendations are made for the year 1944 other than to mechanize all mine operations as much as possible, taking into consideration the probable duration of the War--the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

BUCKINGHAM UNIT
1 9 4 3

The Buckingham Lease 977, Gibson Lease 1001, Robinson Lease 1002, Boyd Lease 1007, McWaters Lease 999 and Miller Lease 1008 comprise the Buckingham Unit which contains the total of 473 acres.



ORE RESERVES
 OF
 SHAPP AREA
 KANSAS EXPLORATIONS INC.

BUCKINGHAM UNIT
1 9 4 3

Shaft #1 that had been sunk to a depth of 160 feet at the end of 1942 was completed to a depth of 227 feet and approximately 100 feet of development drifts were driven preparatory to the starting of mining operations. A derrick and hopper were constructed, additional air compressors and other equipment were installed and operations were started in August, 1943, continuing throughout the balance of the year. All the ore produced from this lease was hoisted at #1 shaft and transported by truck, operating on contract basis, to the Snapp concentrating plant where the ore was milled. The concentrates were stored and sold separately from the Snapp and Gunning concentrates. During the month of December, 1943, Buckingham Shaft #2, located about 700 feet Southeast of #1 shaft, was started and was sunk to a depth of 74 feet by December 31, 1943.

During 1943, a total rock tonnage of 23,699 tons was hoisted and a total of 23,804 tons of mine rock, which included 135 tons of ore from surface dump which had been hoisted during development period, was treated in the Snapp concentrating plant. From the tonnage treated, 1,402.755 tons of zinc concentrates and 209.315 tons of lead concentrates were recovered. The entire tonnage of rock treated during 1943 yielded a recovery of 5.89% in the form of zinc concentrates and .88% in the form of lead concentrates or a total zinc and lead concentrates

recovery of 6.77%. During the operating period, 3,779 man shifts were employed in operations, each man shift averaging a production of 6.3 rock tons or the equivalent of .43 tons of zinc and lead concentrates. The average operating cost was \$3.52 for each ton of rock or \$51.72 for each ton of zinc and lead concentrates recovered.

During the year 1943, prior to the beginning of operations, there was expended \$34,860.37 for shaft sinking, mine development, plant and equipment.

The Buckingham operated under the Over-Quota Production Premium Plan established by the War Production Board. From August 1st until November 30, 1943 premiums were paid on the basis of a Zero A Quota and a Zero B Quota for zinc concentrate production which was equal to \$59.40 per ton of 60% zinc concentrates, and a Zero A Quota for lead concentrates which was equal to \$41.80 per ton of 80% lead concentrates produced.

The Quota was revised December 1, 1943 to a Zero A Quota on zinc production whereby \$29.70 per ton of 60% zinc concentrate was paid for all zinc concentrates produced and a Zero A Quota on lead production whereby \$41.80 per ton of 80% lead concentrate was paid for all lead concentrates produced. This Quota was in effect at the end of 1943.

On December 31, 1943 the Buckingham Unit had no concentrates in the bins, all of the production for

the year 1943 having been sold and loaded. During the year, 1,402.755 tons of zinc concentrates and 209.315 tons of lead concentrates were sold and loaded. An average gross price per ton (2000 pounds) of \$56.49 for zinc concentrates and \$79.04 for lead concentrates was obtained or an average of \$59.42 per ton. Premiums received for Over-Quota production for the year 1943 averaged \$54.64 per ton of zinc concentrates and \$41.38 per ton of lead concentrates or an average of \$52.92 per ton. The average gross amount received per ton of concentrates, including premiums for Over-Quota Production was \$112.34. The average royalty paid on zinc and lead concentrates sold and loaded was \$6.84 per ton, royalty being paid on gross sales and premiums received on a Zero A Quota.

During the year \$6,257.29 was spent for operating development and churn drilling. This was an expenditure of \$.26 for each ton of rock mined and \$3.88 for each ton of concentrates recovered. This expenditure included the cost of sinking Buckingham No. 2 Shaft to a depth of 74 feet as at December 31, 1943. There was 1,470 feet of churn drilling done on the Buckingham Lease 977 and the McWaters Lease 999 during the year.

At the beginning of the year the estimated ore reserve on the Buckingham 977, Gibson 1001, Robinson 1002, and Boyd 1007 was 103,510 tons of probable and possible zinc and lead concentrates. At the close of the year the

estimated ore reserve was 95,540 tons of probable and possible zinc and lead concentrates. Such revision was found necessary as a result of our mining and developing experience during 1943. During the year 1,612.070 tons of zinc and lead concentrates were produced.

During the year 1943, at the Buckingham property, the operating expenditure for labor and liability insurance was \$46,517.62; for items other than labor and liability insurance was \$36,864.67 or a total of \$83,382.29. The total operating mine profit, Joplin Office, for the year 1943 was \$89,932.23 based on actual sales of concentrates sold and loaded during the year. Miscellaneous other income for the year was \$115.23.

BUCKINGHAM UNIT
1 9 4 3

RECOMMENDATIONS FOR 1944

Due to the shortage of labor, no special recommendations are made for the year 1944 other than to mechanize all mine operations as much as possible, taking into consideration the probable duration of the War—the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

DARDENE UNIT

1 9 4 3

The Beck Mining and Royalty Company, who has a sub-lease on this 40-acre tract, did not operate the property during the year 1943.

PROPOSED UNITS

The leases comprising this area are located to the Northwest and Southeast of the Snapp Tract and contain $1215\frac{1}{2}$ acres. Prospect Drilling on the above acreage has not, at this time, developed any mineable ore.

EMPLOYER'S LIABILITY

Employer's Liability
1 9 4 3

During the year 1943, the Kansas Explorations, Inc. carried their own liability insurance. A total of 117 lost time accidents occurred during the year, making a total of 3,245 shift lost, averaging 27.7 shifts lost per accident, and 40.3 shifts lost per 1,000 man shifts worked. There was \$73,041.89 credited to the Reserve account during the year. The cost of all 1943 accidents was \$26,877.97 plus \$15,000.00 estimated liability on 1943 cases unsettled as at December 31, 1943, leaving the amount of \$31,163.92 to be added to Liability Insurance reserve at the close of the year. The estimated liability of unsettled cases which occurred prior to 1943 is \$9,000.00. The Reserve account for December 31, 1943 showed a credit balance of \$103,849.75.

LEGAL

LAW SUITS
1943

During the year 1943, suits were filed by former employees asking for damages because of alleged injury to their health while employed by the Kansas Explorations, Inc.

Onel K. Clingenpeel filed suit for \$25,000.00; Elmer VanOrman for \$30,000.00; Joe C. Hodson for \$30,000.00; Frank Henry for \$30,000.00. Arrangements have been made to settle these cases in the District Court, Jasper County, Joplin, Missouri for a total of \$6,000.00 for the four suits.

GENERAL

General Expense
1943

	Amount	% Total
Lease Rentals	1,505.50	.08%
Capital Expenditure-Buckingham	<u>34,860.37</u>	<u>1.86%</u>
Total Lease Expense	36,365.87	1.94%
Mining & Milling Costs	1,737,225.10	92.70%
Royalties	100,487.10	5.36%
Miscellaneous	<u>0</u>	<u></u>
GRAND TOTAL	1,874,078.07	100.00%

Current Assets and Current Liabilities

December 31, 1943

At the close of the year 1943, Accounts Receivable were as follows:

Customers Accounts Receivable - Misc.

Harry J. Abbey & Co.	432.00
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Other Accounts Receivable:

Gross Production Tax due from Landowners:

Supt. Quapaw Indian Agency	27.83	
Henry Hoffman	.23	
Verna Wilson, Et al	1.74	
Beck & Robinson	<u>15.90</u>	
Total		\$ 45.70

Lotson Lead concentrates sold to St. Joseph		
Lead Co., Gross paid to Beck & Robinson.	<u>5552.39</u>	
Total		5598.09

Customers Accounts Receivable:

American Zinc, Lead & Smelting Co.	36873.99	
Metals Reserve Co.	<u>96280.35</u>	
Total		<u>133154.34</u>
Total Accounts Receivable		139184.43

At the Close of the Year 1943, Current Liabilities were as follows:

Special Industrial Fund	76.00	
Vouchers Payable	55525.44	
Unpresented Treasury Drafts	7874.44	
Unpresented Salary Drafts	6059.74	
Unpresented Payroll Drafts	20344.01	
Income-Victory Tax Withheld from Employees	5422.01	
State Compensating Tax Payable	53.97	
Tailings Revenue Payable	105.58	
Accrued Wages	13534.96	
Unclaimed Wages	200.68	
Accrued Unemployment Insurance Taxes	10053.28	
Accrued and Collected Old Age Benefit Tax	6084.42	
Accrued Wages	489.66	
Accrued Royalties	<u>8673.61</u>	
Total Current Liabilities		134497.80

Miscellaneous Income

1 9 4 3

Income for the year 1943, other than from Concentrate Sales consisted of the following:

Discount on Purchases-Ritz	924.75
Discount on Purchases-Lotson	252.93
Discount on Purchases-Snapp	606.79
Discount on Purchases-Gunning	158.36
Discount on Purchases-Buckingham	114.23
Discount on Purchases-Jasper	1396.84
Miscellaneous Other Income	15.00
Miscellaneous Other Income-Ritz	189.41
Miscellaneous Other Income-Lotson	21.90
Miscellaneous Other Income-Snapp	234.13
Miscellaneous Other Income-Gunning	35.12
Miscellaneous Other Income-Jasper	2.00
Miscellaneous Other Income-Buckingham	1.66
Income from Royalties-Jasper	473.32
Income from Sales of Tailings-Jasper	6940.00
Warehouse, in Production	924.91

Total Other Income

12,290.69